

The Honorable Patty Murray
Chairman
Subcommittee on Transportation,
Housing and Urban Development
US Senate
Washington, DC 20510

The Honorable Christopher Bond
Ranking Member
Subcommittee on Transportation,
Housing and Urban Development
US Senate
Washington, DC 20510

The Honorable John Olver
Chairman
Subcommittee on Transportation,
Housing and Urban Development
US House of Representatives
Washington, DC 20515

The Honorable Thomas Latham
Ranking Member
Subcommittee on Transportation,
Housing and Urban Development
US House of Representatives
Washington, DC 20515

October 2, 2009

Re: Support for Extending conforming loan limits for GSEs and FHA

Dear Chairmen Murray and Olver and Ranking Members Bond and Latham:

The undersigned organizations want to express our strong support for continuing the current higher loan limits for Fannie Mae, Freddie Mac, and the Federal Housing Administration (FHA) for Fiscal Year 2010, as contained in sections 233 and 234 of H.R.3288, the House-passed version of the Transportation and HUD Appropriations Act for FY 2010. We believe continuing the current higher temporary limit is necessary to complete the recovery of the nation's housing market.

The current high-cost mortgage limit is scheduled to expire December 31, 2009, and should be extended as soon as possible. Allowing the current limits to expire would jeopardize the fragile recovery in major housing markets that need the availability of FHA, Fannie Mae and Freddie Mac supported loans.

Congress approved the higher loan limits in the Economic Stimulus Act of 2008 and, earlier this year, extended the high-cost limit as part of the American Recovery and Reinvestment Act of 2009, based on the urgent need to ensure that housing markets in higher-priced sections of the country did not freeze. The increased loan limits have been critical to providing liquidity for mortgage loans during the economic downturn. In light of the continuing weakness in the private secondary market, the GSEs and FHA should be permitted to continue providing capital to support loans to moderate and middle income American families across the nation. Although the economy is showing signs of

recovery, current conditions require those loan limits to stay at the higher level for the next fiscal year.

This is not the time to add uncertainty to the housing market. Limiting the role of the GSEs and FHA will increase the cost of credit for Americans seeking to purchase or refinance a home. We urge you to include in the final bill sections 233 and 234 of the House-passed bill to avoid a disastrous reduction of lending in some of our nation's most fragile housing markets.

Sincerely,

American Financial Services Association
Asian Real Estate Association of America
Consumer Mortgage Coalition
Community Mortgage Banking Project
Housing Policy Council, The Financial Services Roundtable
Mortgage Bankers Association
National Association of Hispanic Real Estate Professionals
National Association of Home Builders
National Association of Real Estate Brokers